

Message Text

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ORIGIN EB-08

INFO OCT-01 ARA-10 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00
COME-00 DODE-00 DOE-11 H-01 INR-07 INT-05 L-03
NSAE-00 NSC-05 OMB-01 PM-05 USIA-06 OES-07 SP-02
SS-15 STR-05 TRSE-00 ACDA-12 /112 R

DRAFTED BY EB/ORF/FSE:JCTODD:CJR
APPROVED BY EB/ORF/FSE:GARSEN
L/EB:CROH
ARA/AND:WSERGEANT
EB/ORF/FSE:DFHART

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P 092052Z JAN 78
FM SECSTATE WASHDC
TO AMEMBASSY CARACAS PRIORITY

C O N F I D E N T I A L STATE 005183

E.O. 11652: GDS

TAGS: ENRG, VE

SUBJECT: REPORTED TERMINATION OF MOBIL'S TECHNICAL
SERVICES CONTRACT

REF: STATE 4078

1. MOBIL OIL ATTORNEY CONTACTED DEPARTMENT AGAIN
JANUARY 9 WITH ADDITIONAL DETAILS ON TECHNICAL SERVICES
AGREEMENT NEGOTIATIONS.

2. ACCORDING TO ATTORNEY, NEGOTIATIONS BEGAN IN FALL OF
1977, AND AT ONE POINT MOBIL WAS OFFERED A SIX-MONTH
EXTENSION OF THE EXISTING CONTRACT, TO ALLOW TIME TO
CONTINUE NEGOTIATIONS. MOBIL DELIVERED A LETTER ACCEPTING
THIS EXTENSION ON DECEMBER 6, BUT HEARD NOTHING FURTHER
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UNTIL TWO DAYS BEFORE END OF THE YEAR, WHEN IT WAS INFORMED
THAT AGREEMENT WOULD BE TERMINATED DECEMBER 31. AT A
JANUARY 6 MEETING, MOBIL WAS OFFERED A 30-TO-60 DAY INTERIM
AGREEMENT, DURING WHICH TIME MOBIL WOULD RECEIVE PAYMENT
ONLY FOR ACTUAL COSTS INCURRED IN PROVIDING TECHNICAL
SERVICES. DISCUSSIONS WOULD CONTINUE FOR A NEW TWO-YEAR
AGREEMENT DURING THE INTERIM PERIOD, BUT THE VENEZUELAN

NEGOTIATORS REITERATED QUOTE ALL THE OBJECTIONABLE
POINTS UNQUOTE RAISED LAST FALL, I.E., NEW AGREEMENT WOULD

STIPULATE A FIXED FEE INSTEAD OF PER-BARREL ARRANGEMENT,
WOULD REQUIRE RELEASE OF MOBIL'S CONFIDENTIAL AND PRO-
PRIETARY INFORMATION TO ALL THE VENEZUELAN COMPANIES
ESTABLISHED TO OPERATE THE NATIONALIZED OIL PROPERTIES,
AND WOULD COVER MOBIL'S PARTICIPATION IN ALL ASPECTS OF
PETROLEUM, INCLUDING MARKETING. VANCE

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Message Attributes

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Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition Date: 20 Mar 2014
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Disposition Reason:
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Review Markings:
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